

**House Agriculture, Forestry and Tourism Committee**  
**Tuesday, September 20, 2005**  
**2 pm – Rm. 307 HOB**

Representative Nitz and Committee Members:

Thank you for allowing me to speak to Senator Brown's legislation today: SB 538 (S-1). I am Jeanne Laimon, Legislative Director for Senator Brown.

Michigan agriculture faces a growing number of environmental challenges. Farmers are responding by making changes to their operations – driven in some cases by new regulations or by encroaching urbanization and local pressure, in other cases by the desire to improve productivity of the land or by the sense that protecting air and water quality is simply smart business. Meeting these challenges will require farmers to develop long-term, cost effective environmental strategies.

Using the technologies in Senator Brown's bill is one way Michigan livestock producers can reduce odor, prevent water pollution, and generate renewable energy by recycling agricultural biomass to complete the natural cycle.

### SB 538 (S-1)

SB 538 (S-1) would ensure that eligible farmers could obtain one-time funding through the Small Business Pollution Prevention (P2) Loan Program to build qualified agricultural energy production systems. The bill increases the maximum loan amount for those systems to \$200,000.

The goals of the pollution prevention program match the outcomes of qualified agricultural energy production systems including energy efficiency, waste reduction, and overall pollution prevention.

To be eligible for the incentives in SB 538 (*S-1*), applicants cannot be criminal violators or repetitive civil violators of the Natural Resources and Environmental Protection Act (NREPA) within a one year period immediately preceding the application dates.

The incentives are restricted to farms that are verified by the MDA under the Michigan Agriculture Environmental Assurance Program (MAEAP).

SB 538 (*S-1*) is geared toward livestock operations (both in size and management practices) that efficiently utilize livestock manure.

Senator Brown's bill addresses the concerns that the Governor mentioned in her veto letter last year for Senator Brown's SB 953 (of 2004), such as fiscal soundness and subsidization of environmental polluters.

The Governor issued an energy efficiency Executive Order (EO) on April 25, 2005. The EO recognizes that Michigan's economy and environment can benefit from energy efficiency.

At an April waste management conference sponsored by the Michigan Agribusiness Association (MABA), Steve Chester the DEQ Director, recognized methane digesters' energy efficiency capabilities and said they fit with the Governor's energy efficiency Executive Order.

Thank you again for taking Senator Brown's legislation up today.

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